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C O N F I D E N T I A L SECTION 01 OF 04 DJIBOUTI 001171

SENSITIVE SIPDIS DEPARTMENT FOR AF/E STATE PASS DEPARTMENT OF TRANSPORTATION

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SUBJECT: DJIBOUTI CIVIL AVIATION: GODJ PLEDGES PROMPT REMOVAL OF SIGNIFICANT SAFETY CONCERN

REF: 09 DJIBOUTI 451

CLASSIFIED BY: E. Wong, CDA; REASON: 1.4(B), (D)

- 11. (C) SUMMARY. Five months into a largely USG-financed program to provide technical assistance to Djibouti's civil aviation authority, Safe Skies for Africa (SSFA) and International Civil Aviation Organization (ICAO) officials remained gravely concerned that the program had not achieved its first, most immediate objective: the removal of an official ICAO "Significant Safety Concern" (SSC) linked to Djibouti's improper issuance of an Air Operator's Certificate (AOC) to Daallo Airlines (in which the GODJ is now a majority stakeholder). During a September 26-29 follow-up visit, ICAO, SSFA, and EmbOffs held frank and productive meetings with the head of Djibouti's civil aviation authority and the Minister of Transport, agreeing on a productive way forward to remove the immediate SSC, revise the technical assistance program to better meet Djibouti's needs and ICAO/SSFA expectations, and improve communication. Current civil aviation capacity in Djibouti remains low, and lack of internal GODJ communication between key players is an ongoing concern. However, senior GODJ officials reiterated that Djibouti is politically committed to addressing the immediate SSC, and that greater cooperation with ICAO and other international partners to improve civil aviation capacity is part of Djibouti's overall strategy to develop into a regional air hub. END SUMMARY.
- 12. (SBU) SSFA Program Manager Connie Hunter and SSFA International Transportation Specialist Cynthia Glass visited Djibouti September 26-29, in coordination with the visit of ICAO's Nairobi-based Regional Director Geoffrey Moshabesha and Montreal-based Technical Cooperation Bureau head Roger Lambo. EmbOffs joined the group in separate meetings with Djibouti Civil Aviation (DACM) Director Almis M. Haid on September 27, and with Minister of Transport Ali Hassan Bahdon on September 28 (accompanied by CDA).

"SIGNIFICANT SAFETY CONCERN" NOTED

¶3. (C) In April, President Guelleh and other senior GODJ officials warmly welcomed SSFA funding for ICAO to provide technical assistance to the DACM (reftel). During an inbrief September 27

with Ambassador, ICAO noted serious concern that this program had so far failed to correct the SSC noted in a recent ICAO Safety Oversight Audit. ICAO's SSC was linked solely to Djibouti's issuance of an Air Operator's Certificate (AOC) to Daallo Airlines without having the capacity to properly control or oversee this technical safety document. At any one time, ICAO notes SSCs in an estimated five countries worldwide. These SSCs are publicly listed on ICAO's website. If SSCs are not addressed, Article 54J of the ICAO's Chicago Convention allows ICAO to inform all contracting states that a particular member has not fulfilled its commitments. Technical Cooperation Bureau Head Roger Lambo told Ambassador that while 54J in reality does not "have all that many teeth," the greater hope was that the situation in Djibouti would never reach this stage, and that ICAO would work closely with Djibouti to help it reach and maintain compliance with all international norms. ICAO later informed EmbOffs that they understood the European Union (EU) was also considering putting Djibouti on its no-fly "black list"-which is normally derived from ICAO Safety Oversight Audit results.

CLEARING UP ICAO-GODJ COMMUNICATION GAPS

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14. (SBU) While ICAO told Ambassador that they were concerned about the GODJ's "lack of commitment" to the program, DACM Director Almis 1M. Haid explained to ICAO and SSFA that he had been baffled by what he described as an initial six-month "observation" phase in the program. ICAO knows the issues in Djibouti "very well already," he said, and the DACM had felt they should skip the observation phase. In addition, Haid said that he did not understand why operational inspectors had been sent to Djibouti before a legal advisor had finished his work on a badly-needed draft civil aviation code. Lambo and Moshabesha explained to Haid that this initial phase had been specifically designed to address and remove the immediate SSC before moving on toward general capacity building and training phases. Therefore, ICAO first sent operational inspectors-who nonetheless were unable to complete their task of reviewing Daallo's AOC, because the DACM did not issue appropriate credentials and Daallo refused to provide required documentation for review in a timely manner.

15. (C) Both Haid and Minister of Transport Ali Hassan Bahdon strongly objected to the tone and content of a recent letter sent by the President of the ICAO Council to President Guelleh. Inter alia, the letter in question directed President Guelleh to annul Daallo's AOC and provide ICAO with proof that this had been done. ICAO's letter was answered by Presidency Secretary General Ismail Tani, who noted his objections to the letter's tone and directed ICAO to work with the Minister of Transport. (NOTE. Neither Post nor SSFA were aware that ICAO was planning to send this letter, and only received copies of it after the fact. END NOTE). Minister Bahdon said that the letter was "felt as an ultimatum" and that GODJ was "disappointed" with this approach. "We know we need to be in conformity with the rules," Bahdon said, and the political will is already there to do so because civil aviation is a top government "priority." ICAO told Haid and Bahdon that their concerns had been noted and would be brought back to the office of the President of the ICAO Council. "We will always be on your side to assist you and make sure that Djibouti meets all international standards," Lambo assured Bahdon.

16. (SBU) In discussions with Haid and Bahdon, all parties agreed to take the following steps to move forward in the short and long term:

-- IMMEDIATE REMOVAL OF SSC: ICAO assured Haid and Bahdon that the GODJ's annulment of Daallo's AOC would not lead to the interruption of air services in Djibouti. The DACM confirmed that all Daallo aircraft are currently leased from other companies. Therefore, ICAO explained, Daallo can continue operations based on the AOC(s) issued to the leasing companies. ICAO will provide technical assistance to the DACM to verify that these third-country AOCs (for example, one from the Comoros) conform with international standards. Daallo would also need to continue leasing aircraft on an ACIM (aircraft, crew, insurance, maintenance) basis. In addition, the GODJ can issue Daallo an Air Service Permit (ASP), (a "commercial" rather than a "technical" document), allowing Djibouti to retain full control over Daallo's permissions to operate as a business in Djibouti and to fly certain routes. At a lunch September 28, Haid's de facto deputy told ICAO that the AOC would be annulled by October 1. Once the AOC is annulled, the GODJ must publish the withdrawal notice and inform ICAO, which will then inform all ICAO members that Djibouti has remedied the SSC.

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-- INTERIM SOLUTION AND LONG-TERM GOAL: During an interim period, ICAO will assist the GODJ to conclude a cooperative agreement with another state which currently meets ICAO standards (possibly Ethiopia or the United Arab Emirates). This agreement will allow Djibouti to issue AOCs, but with the understanding that the second state will provide all necessary technical oversight. Concurrently, ICAO and the second state will work with Djibouti to train Djiboutian inspectors capable of overseeing issuance of AOCs. Haid stressed that any such arrangement with another state needed to be an interim solution, and preferably last no longer than six months. (NOTE. ICAO told CDA that the duration of this phase would depend entirely on how quickly the GODJ can work to train its own inspectors. Lambo estimated that one year was a more realistic interim time frame. END NOTE.) In the longer term, ICAO underlined, Djibouti may want to consider joining a regional grouping to pool human resource inspection capacity. Qualified inspectors are in great demand and have proven enormously difficult to retain throughout Africa, with flight operations inspectors commanding salaries of up to ten thousand dollars a month.

--REVISED PROGRAM OF SUPPORT: ICAO will revise the technical assistance program project document to reflect the current plan of action. The current ICAO inspector detailed to the DACM will become an ICAO "advisor," with a broader mandate. The advisor will report directly to ICAO, and will be able to brief the Minister of Transport regularly. In addition, ICAO can provide any additional assistance required to help Djibouti complete and adopt a civil aviation code. Minister Bahdon complained that the ICAO expert sent to Djibouti to work on this code had consulted only with the DACM and not with the Ministry of Transport (a charge refuted by ICAO). Since President Guelleh had made the passage of a civil aviation code a top priority, Bahdon said, he had also engaged his own advisor to complete a draft. The two existing drafts, however, had only "very small" differences.

MINISTRY OF TRANSPORT-DACM DYNAMICS

17. (C) Bahdon told ICAO that he had not been receiving adequate communication from the DACM (whose director he nominally supervises), and that he wanted future ICAO communications to come first through the Ministry of Transport. Moshabesha and Lambo told Bahdon that ICAO would communicate with whichever entity the GODJ designated as the main point of contact, but that this decision would need to be transmitted to ICAO in a formal request. (COMMENT. There is a complete lack of communication and near-open animosity between Bahdon and Haid. During the ICAO-SSFA visit, neither agreed to meet together, and both bowed out of a planned lunch when it appeared that there would be both Ministry of Transport and DACM representation. Both are connected by family ties to First Lady Khadra Mahamoud Haid-Haid is her brother, and Bahdon is married to her daughter from a previous marriage. Bahdon was appointed Minister of Transport in a 2008 cabinet shuffle. is somewhat of an up-and-comer, and appears to have enough of President Guelleh's trust that he acted as interim Foreign Minister on one occasion. He is not, however, immune from gossip that he $\,$ holds his position solely because of his wife, and not by personal merit. Haid, who is considerably older than Bahdon, has long been associated with the DACM. The First Lady is sometimes said to be more favorable towards another brother, Central Bank Governor Djama ¶M. Haid. END COMMENT.)

MAKING A REGIONAL PORT A REGIONAL AIR HUB

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18. (SBU) "We are weak in civil aviation," Minister Bahdon said, "but we are learning." Djibouti, he emphasized, does not want any bad publicity in the civil aviation field, and is strongly motivated to address any safety concerns. The GODJ is now a majority stakeholder in Daallo, Bahdon said, and would like to "upgrade" the airline. To do this, the GODJ will need to give certain assurances to potential investors. In the long term, he said, Djibouti wants to match strong growth in the port sector with commensurate development in aviation, transforming Djibouti into a regional air hub. Bahdon asked ICAO and the USG for continued support in building Djibouti's human resource base in support of this goal.

19. (C) Minister Bahdon highlighted the urgent need to establish a regional center to control airspace for the Horn of Africa (i.e. Ethiopia, Djibouti, and its neighbors). Due to the 1998-2001 Ethiopia-Eritrea conflict, for example, neither country coordinated on airspace. Somalia's air traffic control ("Mogadishu Information") operated from a villa in Kenya, and no country in the region coordinated with Sanaa except Djibouti. Djibouti controlled its own airspace up to 24,500 feet, and coordinated closely with Israel's El Al Airline (which, for political reasons, could not use Sudanese airspace).

COMMENT	

110. (C) Fulfilling President Guelleh's long-term vision of Djibouti as a regional transport and services hub depends on addressing safety concerns shadowing the country's aviation authority.

Communication hiccups between ICAO and the GODJ-and within the GODJ-are likely responsible for delaying Djibouti's response to ICAO's Significant Safety Concern (SSC). Now that the key players fully understand both the gravity of the situation, and that the remedy will not/not involve grounding Daallo Airlines, Post assesses that the GODJ is likely to keep its word in annulling the improperly issued AOC. The GODJ deregistered 13 aircraft, following USG demarches, in March 2008. Communication between the DACM and the Ministry of Transport will likely remain a challenge. Post will continue to follow up with relevant parties to help ensure that newly-opened lines of communication between ICAO and the GODJ do not close, and that the SSFA-funded program can move forward to accomplish its objective of building capacity for Djibouti's civil aviation authority. END COMMENT.